

PATENT COOPERATION TREATY

From the INTERNATIONAL SEARCHING AUTHORITY

To: Samir A. Bhavsar
Baker Botts LLP
2001 Ross Avenue
Dallas, Texas 75201

DOCKETED

PCT

NOTIFICATION OF TRANSMITTAL OF
THE INTERNATIONAL SEARCH REPORT AND
THE WRITTEN OPINION OF THE INTERNATIONAL
SEARCHING AUTHORITY, OR THE DECLARATION

(PCT Rule 44.1)

Applicant's or agent's file reference 069547.0304	Date of mailing <i>(day/month/year)</i> 08 JAN 2007
International application No. PCT/US 06/19316	International filing date <i>(day/month/year)</i> 19 May 2006 (19.05.2006)
Applicant Espeed, Inc	

1. ☒ The applicant is hereby notified that the international search report and the written opinion of the International Searching Authority have been established and are transmitted herewith.

Filing of amendments and statement under Article 19:

The applicant is entitled, if he so wishes, to amend the claims of the international application (see Rule 46):

When? The time limit for filing such amendments is normally two months from the date of transmittal of the international search report.

Where? Directly to the International Bureau of WIPO, 34 chemin des Colombettes
1211 Geneva 20, Switzerland, Facsimile No.: +41 22 740 14 35

For more detailed instructions, see the notes on the accompanying sheet.

2. ☐ The applicant is hereby notified that no international search report will be established and that the declaration under Article 17(2)(a) to that effect and the written opinion of the International Searching Authority are transmitted herewith.

3. ☐ **With regard to the protest against payment of (an) additional fee(s) under Rule 40.2, the applicant is notified that:**

☐ the protest together with the decision thereon has been transmitted to the International Bureau together with the applicant's request to forward the texts of both the protest and the decision thereon to the designated Offices.

☐ no decision has been made yet on the protest; the applicant will be notified as soon as a decision is made.

4. Reminders

Shortly after the expiration of **18 months** from the priority date, the international application will be published by the International Bureau. If the applicant wishes to avoid or postpone publication, a notice of withdrawal of the international application, or of the priority claim, must reach the International Bureau as provided in Rules 90bis.1 and 90bis.3, respectively, before the completion of the technical preparations for international publication.

The applicant may submit comments on an informal basis on the written opinion of the International Searching Authority to the International Bureau. The International Bureau will send a copy of such comments to all designated Offices unless an international preliminary examination report has been or is to be established. These comments would also be made available to the public but not before the expiration of 30 months from the priority date.

Within **19 months** from the priority date, but only in respect of some designated Offices, a demand for international preliminary examination must be filed if the applicant wishes to postpone the entry into the national phase until **30 months** from the priority date (in some Offices even later); otherwise, the applicant must, **within 20 months** from the priority date, perform the prescribed acts for entry into the national phase before those designated Offices.

In respect of other designated Offices, the time limit of **30 months** (or later) will apply even if no demand is filed within 19 months.

See the Annex to Form PCT/IB/301 and, for details about the applicable time limits, Office by Office, see the *PCT Applicant's Guide*, Volume II, National Chapters and the WIPO Internet site.

Name and mailing address of the ISA/US Mail Stop PCT, Attn: ISA/US Commissioner for Patents P.O. Box 1450, Alexandria, Virginia 22313-1450 Facsimile No. 571-273-3201	Authorized officer: <div style="text-align: right;">Lee W. Young</div> <div style="font-size: small;"> PCT Helpdesk: 571-272-4300 PCT CSR: 571-272-7774 </div>
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Form PCT/ISA/220 (January 2004)

(See notes on accompanying sheet)

PATENT COOPERATION TREATY

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INTERNATIONAL SEARCH REPORT

(PCT Article 18 and Rules 43 and 44)

Applicant's or agent's file reference 069547.0304	FOR FURTHER ACTION	see Form PCT/ISA/220 as well as, where applicable, item 5 below.
International application No. PCT/US 06/19316	International filing date (day/month/year) 19 May 2006 (19.05.2006)	(Earliest) Priority Date (day/month/year) 20 May 2005 (20.05.2005)
Applicant Espeed, Inc		

This international search report has been prepared by this International Searching Authority and is transmitted to the applicant according to Article 18. A copy is being transmitted to the International Bureau.

This international search report consists of a total of 2 sheets.

☒ It is also accompanied by a copy of each prior art document cited in this report.

1. Basis of the report

a. With regard to the language, the international search was carried out on the basis of:

- ☒ the international application in the language in which it was filed
☐ a translation of the international application into _____, which is the language of a translation furnished for the purposes of international search (Rules 12.3(a) and 23.1(b))

b. ☐ With regard to any nucleotide and/or amino acid sequence disclosed in the international application, see Box No. I.

2. ☐ Certain claims were found unsearchable (see Box No. II)

3. ☐ Unity of invention is lacking (see Box No. III)

4. With regard to the title,

- ☒ the text is approved as submitted by the applicant
☐ the text has been established by this Authority to read as follows:

5. With regard to the abstract,

- ☒ the text is approved as submitted by the applicant
☐ the text has been established, according to Rule 38.2(h), by this Authority as it appears in Box No. IV. The applicant may, within one month from the date of mailing of this international search report, submit comments to this Authority

6. With regard to the drawings,

- a. the figure of the drawings to be published with the abstract is Figure No. 1
☐ as suggested by the applicant
☒ as selected by this Authority, because the applicant failed to suggest a figure
☐ as selected by this Authority, because this figure better characterizes the invention
- b. ☐ none of the figures is to be published with the abstract

INTERNATIONAL SEARCH REPORT

International application No.

PCT/US 06/19316

A. CLASSIFICATION OF SUBJECT MATTER

IPC(B): G06Q 30/00 (2006.01), G06Q 40/00 (2006.01)

USPC: 705/37

According to International Patent Classification (IPC) or to both national classification and IPC

B. FIELDS SEARCHED

Minimum documentation searched (classification system followed by classification symbols)

USPC: 705/35, 37; 700/90, 91

Documentation searched other than minimum documentation to the extent that such documents are included in the fields searched

Electronic data base consulted during the international search (name of data base and, where practicable, search terms used)

WEST: DB=PGPB,USPT,USOC,EPAB,JPAB; TERMS = entertain and security, contract, trade, future exchange, settlement, market
 DialogPro [Global Patents (Files 347, 348, 349, 652, 654), INSPEC]; Google Scholar; CiteSeer
 keywords = entertainment and futures contract

C. DOCUMENTS CONSIDERED TO BE RELEVANT

Category*	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
Y	WO 01/77940 A1 (McDonough) 18 Oct 2001 (18.10.2001), Page 1, lines 12-19; page 3, lines 19-26; page 4, lines 3-11; page 11, lines 18-26; page 14, line 3-page 15, line 8; page 18, line 8-page 21, line 23; page 22, lines 1-32; Figs. 4-6	1-22
Y	US 2002/0019792 A1 (Maerz et al) 14 Feb 2002 (14.02.2002), Paragraphs [0002], [0057], [0066]	1-22

☐ Further documents are listed in the continuation of Box C.

* Special categories of cited documents:

"A" document defining the general state of the art which is not considered to be of particular relevance

"E" earlier application or patent but published on or after the international filing date

"L" document which may throw doubts on priority claim(s) or which is cited to establish the publication date of another citation or other special reason (as specified)

"O" document referring to an oral disclosure, use, exhibition or other means

"P" document published prior to the international filing date but later than the priority date claimed

"T" later document published after the international filing date or priority date and not in conflict with the application but cited to understand the principle or theory underlying the invention

"X" document of particular relevance; the claimed invention cannot be considered novel or cannot be considered to involve an inventive step when the document is taken alone

"Y" document of particular relevance; the claimed invention cannot be considered to involve an inventive step when the document is combined with one or more other such documents, such combination being obvious to a person skilled in the art

"&" document member of the same patent family

Date of the actual completion of the international search

2 Nov 2006 (02.11.2006)

Date of mailing of the international search report

08 JAN 2007

Name and mailing address of the ISA/US

Mail Stop PCT, Attn: ISA/US, Commissioner for Patents
 P.O. Box 1450, Alexandria, Virginia 22313-1450
 Facsimile No. 571-273-3201

Authorized officer:

Lee W. Young

PCT Helpdesk: 571-272-4300

PCT OSP: 571-272-7774

PATENT COOPERATION TREATY

From the
INTERNATIONAL SEARCHING AUTHORITY

To: Samir A. Bhavsar
Baker Botts LLP
2001 Ross Avenue
Dallas, Texas 75201

PCT

WRITTEN OPINION OF THE
INTERNATIONAL SEARCHING AUTHORITY

(PCT Rule 43bis.1)

Applicant's or agent's file reference 069547.0304		Date of mailing <i>(day/month/year)</i> 08 JAN 2007
International application No. PCT/US 06/19316		FOR FURTHER ACTION See paragraph 2 below
International filing date <i>(day/month/year)</i> 19 May 2006 (19.05.2006)	Priority date <i>(day/month/year)</i> 20 May 2005 (20.05.2005)	
International Patent Classification (IPC) or both national classification and IPC IPC(B) - G06Q 30/00 (2006.01), G06Q 40/00 (2006.01) USPC - 705/37		
Applicant Espeed, Inc		

1. This opinion contains indications relating to the following items:

- ☒ Box No. I Basis of the opinion
- ☐ Box No. II Priority
- ☐ Box No. III Non-establishment of opinion with regard to novelty, inventive step and industrial applicability
- ☐ Box No. IV Lack of unity of invention
- ☒ Box No. V Reasoned statement under Rule 43bis.1(a)(i) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement
- ☐ Box No. VI Certain documents cited
- ☐ Box No. VII Certain defects in the international application
- ☐ Box No. VIII Certain observations on the international application

2. **FURTHER ACTION**

If a demand for international preliminary examination is made, this opinion will be considered to be a written opinion of the International Preliminary Examining Authority ("IPEA") except that this does not apply where the applicant chooses an Authority other than this one to be the IPEA and the chosen IPEA has notified the International Bureau under Rule 66.1bis(b) that written opinions of this International Searching Authority will not be so considered.

If this opinion is, as provided above, considered to be a written opinion of the IPEA, the applicant is invited to submit to the IPEA a written reply together, where appropriate, with amendments, before the expiration of 3 months from the date of mailing of Form PCT/ISA/220 or before the expiration of 22 months from the priority date, whichever expires later.

For further options, see Form PCT/ISA/220.

3. For further details, see notes to Form PCT/ISA/220.

Name and mailing address of the ISA/US Mail Stop PCT, Attn: ISA/US Commissioner for Patents P.O. Box 1450, Alexandria, Virginia 22313-1450 Facsimile No. 571-273-3201	Date of completion of this opinion 2 Nov 2006 (02.11.2006)	Authorized officer: Lee W. Young <small>PCT Helpdesk: 571-272-4300 PCT OSP: 571-272-7774</small>
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Form PCT/ISA/237 (cover sheet) (April 2005)

WRITTEN OPINION OF THE
INTERNATIONAL SEARCHING AUTHORITY

International application No.

PCT/US 06/19316

Box No. 1 Basis of this opinion

1. With regard to the language, this opinion has been established on the basis of:

- ☒ the international application in the language in which it was filed
☐ a translation of the international application into _____, which is the language of a translation furnished for the purposes of international search (Rules 12.3(a) and 23.1(b)).

2. With regard to any nucleotide and/or amino acid sequence disclosed in the international application and necessary to the claimed invention, this opinion has been established on the basis of:

- a. type of material

- ☐ a sequence listing
☐ table(s) related to the sequence listing

- b. format of material

- ☐ on paper
☐ in electronic form

- c. time of filing/furnishing

- ☐ contained in the international application as filed
☐ filed together with the international application in electronic form
☐ furnished subsequently to this Authority for the purposes of search

3. ☐ In addition, in the case that more than one version or copy of a sequence listing and/or table(s) relating thereto has been filed or furnished, the required statements that the information in the subsequent or additional copies is identical to that in the application as filed or does not go beyond the application as filed, as appropriate, were furnished.

4. Additional comments:

**WRITTEN OPINION OF THE
INTERNATIONAL SEARCHING AUTHORITY**

International application No.

PCT/US 06/19316

Box No. V Reasoned statement under Rule 43bis.1(a)(i) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement

1. Statement

Novelty (N)	Claims	1-22	YES
	Claims	none	NO
Inventive step (IS)	Claims	none	YES
	Claims	1-22	NO
Industrial applicability (IA)	Claims	1-22	YES
	Claims	none	NO

2. Citations and explanations:

Claims 1-22 lack an inventive step under PCT Article 33(3) as being obvious over WO 01/77940 A1 (McDonough) in view of US 2002/0019792 A1 (Maerz et al.).

Regarding claims 1, 11-12 and 22, McDonough discloses an electronic trading system for service-related futures contracts including entertainment contracts (Abstract; Page 8, lines 4-15). Regarding claims 1 and 12, McDonough discloses the system including a memory 404 for storing information associated with futures contracts and processor 402 coupled to the memory 404 for processing transactions associated with the futures contracts. McDonough further discloses futures contract trading including a seller 520 and a buyer 522, where the contract provider 530 may be the seller 520, and the contract contains a purchase price, date and settlement date (page 1, lines 12-19; page 3, lines 19-26; page 4, lines 3-11; page 11, lines 18-26; page 14, line 3-page 15, line 8; page 16, line 8-page 19, line 18; page 20, line 17-page 21, line 23; page 22, lines 1-32; Figs. 4-5). However, while McDonough's system involves cash and delivery of a futures contract, it does not specifically disclose the entertainment event associated with a security and transaction of the futures contract performed in conjunction with the issuance of the security. Maerz discloses security futures for television show pilots. More specifically, Maerz discloses the future value of a television show or show pilot may be securitized based on its expected value, and traded in a financial market (Abstract; Paragraphs [0002] and [0057]). One skilled in the art would recognize that trading securities comprises trading the future contract of a single security. Therefore, one skilled in the art would find it obvious to combine Maerz trading security futures of television shows with the McDonough's electronic trading system for service related futures contracts to issue securities for entertainment related futures contracts. Regarding claims 11 and 22, McDonough discloses a trading system for entertainment and recreation services, while Maerz discloses a trading system for entertainment concepts such as television show scripts and pilots as provided above. One skilled in the art would recognize that trading systems for such entertainment and recreation services could also include music, theatrical shows, book publishing, sports and concerts.

Regarding claims 2 and 13, it is known that financial instruments such as securities may be used as collateral in business deals. Therefore, one skilled in the art would find it obvious to use the securities as collateral for the futures contract.

Regarding claims 3 and 14, it is known that dividends are commonly used together with securities to motivate purchasing the securities. Therefore, one skilled in the art would find it obvious to associate securities with dividends based at least in part on the revenues generated by the entertainment event.

Regarding claims 4 and 15, since the futures contract provider 530 may be the same entity as the seller 520 as provide above, one skilled in the art would recognize that the security issuer may be the same entity as the service contract provider when issuing the security based on the future contract (i.e. the entertainment entity is the service contract provider who is performing the entertainment event).

Regarding claims 5-7 and 16-17, McDonough discloses the system as provided above including bidding on a combination of service contracts in a sequential or complimentary relationship (Page 19, line 31-page 20, line 16). Maerz discloses individual POPS Basket containing a specific category of programming (paragraph [0057]). One skilled in the art would recognize the such combination of service contracts/category of programming would include futures contracts associated with first and second entertainment events and the first and second values from the disclosed combination of service contracts/category of programming. Regarding claims 6-7 and 17-18, see the discussions provided above with respect to claim 2.

Regarding claims 8 and 19, McDonough discloses that the futures contract may be flexible as to the delivery/settlement date (page 14, lines 3-26).

Regarding claims 9-10 and 20-21, Maerz disclose that the futures trading market may be based on the future value (i.e., revenue and ticket sales) of the entertainment event (paragraph [0068]).

Claims 1-22 have industrial applicability as defined by PCT Article 33(4) because the subject matter can be made or used in industry.